SHRI SATYA PRAKASH MALA- , VIA: What about Kamla Nehru Can- I cer Institute, Allahabad?

SHRI EDUARDO FALEIRO: Sir, I have given the identification of these hospitals. This is done by the Ministry of Health.

MR. CHAIRMAN; He will include Kam'a Nehru Cancer Institute, Allahabad, also.

Next question,

*185. (The questioners (Shri Suren-dra Singh Thakur and Sardar Jagit Singh Aurora) were absent. For answer vide col. 34-35 infra)

Trade with SAARC Countries

*186. SHRI GHULAM RASOOL MATTO: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have con sidered the possibility of rupee trade (both exports and imports) with the SAARC countries on the same line as in the case with the Soviet Union I and other East European countries; and

(b) if the answer to part (a) above be in the affirmative, what are the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. R. DAS MUNSHI): (a) and (b) No, Sir. Adequate arrangements already exist for the conduct of bile-teral trade between India and SAARC countries.

SHRI GHULAM RASOOL MATTO: Mr. Chairman, Sir, I am afraid that the reai imoort of the question has no* been understood bv the bon Minister. The fact that there is a bilateral trade agreement is there That trade is already taVing place perhaps through the As'a Monetary Unit and through thp Asian Clearing Unit But foreign exchange is involved in that. What I meant was that we should have a bilateral trade with the SAARC countries on the same pattern as we are having trade with the East European countries and countries like Russia. From almost nil, we have reached a figure °f 5600 crores of rupees of trade with Russia this year and the target for the next year is 7000 crores of rupees. All the counties of SAARC are faced with a tight foreign exchange position. I would, therefore, like to tell the hon. Minister that his stating that we have no intention of this thing is directly in-confiict with the statement made by the Government of India in the SAARC Conference in Kathmandu On 1st November, 1987. This is what Shri Natwar Singh stated there categorically:.... that SAARC extend its area of activity to cover trade and economic cooperation. In a forth-right statement, Mr. Natwar Singh said that keeping trade out of the SAARC purview was fundamental lacuna of our institution."

He further goes on to say:

"We have still not been able to initiate cooperation in areas which have been traditionally considered the warp and woof of reg'onal co operation. Mr. Natwar Singh said these were principally the economic-sectors of trade, industry, money and finance essential underpinnings of all regional cooperation activities.

Without extending our cooperation to these areas, our complementaries can never be fully utilised, the comparative advantages of the res-pective members countries cannot be adequately harnessed to the common good—and in the ultimate analysis regional cooperation itself cannot be sustained and nourished."

Sir, in soite of these observations, the hon MhVster now says that we cannot have all these things There are more auotations which I do not want to give for the sake of brevity. But this is very clear. Even the cap-

tions of newspapers says; "SAARC nations to institutionalise cooperation in planning, trade". Similarly, there is aother caption saying "SAARC for trade cooperation despite Pak reservations". I will give you a classical example. I myseif saw that a Bangladesi in Jeddah, Saudi Arabia, was purchasing 60 Kashmiri shawls for trade in Bangladesh. I said: "Why are you buying these sh wls in Saudi Arabia when you can purchase thesefrom India"? He said: "We have no foreign exchange. Therefore, we cannot buy directly from India. I had come *to* Saudi Arabia and bought the shawls from here". I would like the hon**.** Minister to consider this. It is not where any foreign exchange is involved. It is rupee trade. And I see a very I bright future for it. Will he reconsider j it in view of Mr. Natwar Singh's statement and the Government of India's stand on SAARC? W'11 he reconsider that We will have rupee trade with SAARC countries and initiate action in this behalf?

SHRI P. R DAS MUNSHI: I would first like to make it clear to the hon. Member that I have not repl'ed in negative form. The question was -...like the S wet Union and other East Suropean -monitries..." The concept of rupee trade that we have with the Soviet Union and other East European countries is for balanced trade. The position of SAARC countries is different. Secondly, i have not gone through the statement that you have just now mentioned. But the Prime Minister himself in Kathmandu did refer at one point of time to trade. Sir, the SAARC as a group has not yet accepted trade in the agenda. There-tore, I cannot discuss trade in terms of SAARC as such. But I can certainly discuss the question of countries within the SAARC in bilateral terms as they exist today. That is exactly the position. Now, as observa-tioncan bg made by any Minister.

But until and unless the SAARC as a forum accepts the concept of trade in the agenda, it is difficult for me, Sir, to explain as to what the concept of trade will be, whether in rupee terms or dollar terms.

With regard to Bangladesh as the hon. Member referred to, you must be knowing that soon after their independence there was rupee trade. But it is they who thought that is was not helpful to them, and therefore the rupee trade has not been functioning from that period, because one of the conditions of rupee trade is that whenever there is a rupee surplus unless you match it by buying more from us Or you buy from them, it does not function. I think they cannot buy a lot from us or we cannot buy all that they want to supply. In sueh cases it becomes absolutely inoperative. Therefore, we go back again to the free foreign exchange system of trade.

SHRI GHULAM RASOOL MATTO: The hon. Minister has replied that so far as the decision about SAARC countries jointly is concerned no decision has been taken in regard to trade. All right. But he further says that on the basis of the trade that we have got with Russia, we can have rupee trade with the particular countries of SAARC on bilateral basis. Will the Government of India offer this to SAARC countries on individual basis that they are prepared to have trade with them on the same basis as they have with the Soviet Union?

SHRI P.R. DAS MUNSHI: I will not give this meaning. But I will only say that the rupee trade was not found feasible, excepting in the case of Bhutan and Nepal with whom transactions are conducted in rupees also. The reason, as I have already explained, is that in the clearing system both sides have to mutuary want to conduct rupee trade. But in the rupee is in surplus unless you buy and match it in equal number the trade cannot be operative. I will exp^in If I sell poods worth Rs. 2000 crores to Bangladsesh and if Bangladsesh cannot seP nearabut Rs. 2000 crores worth of goods in a particular year or in the next year, matching, then it

becomes inoperative. They feel that they have been deprived. And, there- | fore, in such cases rupee trade does j not become operative. And Bangla-dsesh felt it because we had rupee trade with them after their independence, and that is why we have been doing it in free foreign exchange system and that to$_0$ i$_n$ the A.C.U. concept where this problem is not there because whosoever is in surplus that particular aspect is being repaid by free foreign exchange.

SHRI GHULAM RASOQL MATTO: One minute. For instance, we export to them goods worth Rs. 1200 crores and they export to us goods worth Rs. 1000 crores. We have thus got Rs. 200 crores surplus. But the extent of Rs. 1000 crores, they have been benefited because they have not paid in foreign exchange. Can you make such an offer t$_0$ them?

SHRI P. R. DAS MUNSHI: It is not offer. The difficulty i$_s$ that in respect of the Soviet Union there is a centralised, planned economy, and a certain amount of . . . (Interruptions) In such countries of the SAARC as you have mentioned, they have prices private trading sector and a little of the Government control. So, this kind of total command that if you give me Rs. 2,000 : crores, I will match it by 2.000 crores I of rupees is "mpossible for them to I predict. And I cannot offer suo moto : that I w'll offer you ss and so and ' you offer me so and so. I may not need those items which thev like to offer. It is impossible to balance.

DR. YFLAMANCHILT SIVAJI: Sir, as far a$_s$ the niDee trade is concerned, is there anv information wi+h the Government that our goods are sold and chang-'ng- hands on deensea waters for hard currencw and at hiigher prices ? I If so. what steps are taken bv the j Government tn see that the benefit comes to the Government of India?

SHRI P R. PAS MTTNSHT- In so far as nro°p trade countries are concerned, such things do not exist Our STC is permited to have such kind of ! sale, with a better bargaining nower. to other countries where rupee trade arrangements are not available.

MR. CHAIRMAN; Question No. 187.

Vehicles of Assam rifles involved in smuggling of narcotics

*187. DR, R. K. PODDAR-.f
SHRI MOSTAFA BIN QUASEM:

Will the Minister of HOME AFFAIRS be pleased to state:

Ca) whether it is a fact that the Narcotics Control Bureau had informed the Union Home Ministry about the involvement of Assam Rifles vehicles in smuggling of narcotics from Burma; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF PERSONNEL, PUBLIC GRIEVANCES AND PENSIONS AND THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI P. CHIDAMBARAM); (a) No, Sir.

(b) Two personnel of Assam Rifles, a Lance Naik and a Corporal, were reported to be involved in a seizure of 20 gms of heroin effected on 10-5-88 at Shillong, and in connection therewith both were arrested.

DR. R. K. PODDAR; S'r, the Government's reply is somewhat evasive and, therefore, completely unsatisfactory. There was a report in the Hindu' o$_n$ the 10th of july this year, and there were specific allegations that Assam Rifles vehicles were used for this smuggling of hero'n drugs. And these drugs, as the renort says, appear to be of a finer duality They can be iniected intravenously whereas those which come from the Pakistan border are of a lower quality. Now, I would 1'ke to know soeeifical'y as to who arrested these Assam Rifles Jawans. the Assam 'Rifle- author'ties or the 'Narcotics Control Bureau, and where thev were arrested whether